

STATE OF WYOMING

DIVISION OF BANKING



SPECIAL PURPOSE DEPOSITORY INSTITUTION

BANK CHARTER APPLICATION

Name of Proposed Institution:

Date of Submission:

Exhibit 1

GENERAL INFORMATION AND INSTRUCTIONS

All questions must be answered with truthful and complete information. Answers of "none," "not applicable" or "unknown" are acceptable. Explain "unknown" answers. If uncertainty exists as to whether information should be disclosed, you should disclose the information.

The questions in the application are not intended to limit the Applicant's presentation nor are the questions intended to duplicate information supplied elsewhere. For such information, a cross reference to the information is acceptable. *Specify the cite or location in the documents for each cross-reference.*

An Applicant may present the information below in an alternative format, if all required information is provided. Supporting information for all relevant factors, setting forth the basis for the Applicant's conclusions, should accompany the application. The Wyoming Division of Banking ("the Division") may request additional information as necessary.

This application form collects information that the Division will use to evaluate a bank charter application for a special purpose depository institution (SPDI). In evaluating the application, the Division will consider the applicable statutory requirements set forth in Wyo. Stat. §§ 13-12-101 through -126, the Rules of the Division, and other applicable state and federal laws. It is the responsibility of the Applicant to ensure compliance with these laws.

In addition to the appropriate number of signed copies of this application, the Division requires Applicants to submit all materials electronically. Please contact the Division for submission instructions.

Applicants with questions should contact the Division at (307) 777-7797.

CONFIDENTIALITY

The Public Section of this document (pgs. 1–4) is available for public inspection under Chapter 5, § 8 of the Rules of the Division.

The remainder of this document is confidential, protected by law and not subject to disclosure through the Wyoming Public Records Act. If necessary, this document may be shared on a confidential basis with other governmental agencies (with which the Division has an information-sharing agreement) in connection with the underlying SPDI application.

Public Section

Proposed Special Purpose Depository Institution Information

Name of Proposed Institution

City of Headquarters

Holding Company Information (*if applicable, please contact Division with questions*)

Name of Company

Mailing Address

Proposed Institution Activities (*check all that apply*)

- | | |
|---|--|
| <input type="checkbox"/> Operating Accounts/Cash Management | <i>Intended Federal Reserve Status:</i> |
| <input type="checkbox"/> Commodities Transactions ¹ | <input type="checkbox"/> Member Bank |
| <input type="checkbox"/> Securities Transactions ² | <input type="checkbox"/> Non-Member Bank |
| <input type="checkbox"/> Custodial Services | |
| <input type="checkbox"/> Digital Assets | |
| <input type="checkbox"/> Enhanced Digital Asset Custody Regime (<i>Ch. 19, Rules of the Division</i>) | |
| <input type="checkbox"/> Fiduciary/Investment Management Services | <input type="checkbox"/> Other (<i>describe</i>) |

Primary Point of Contact for Application

Name

¹ See, e.g., transactions governed by the Commodity Exchange Act, 7 U.S.C. § 1 *et seq.*, or other similar law.

² See, e.g., transactions governed by the Exchange Act, 15 U.S.C. § 78a *et seq.*, Investment Company Act, 15 U.S.C. § 80a-1 *et seq.*, Investment Advisers Act, 15 U.S.C. § 80b-1 *et seq.*, or other similar law.

Mailing Address

Firm (*if applicable*)

License Number, Type, & State (*if applicable*)

Phone Number

E-Mail

Brief Overview of Application

Provide a brief overview of the application. The overview should describe the institution's business and any special market niche, including products, market, and services.

Confidential Section

In accompanying materials, please clearly delineate sections, item numbers and organization of information.

1. Operations

- (a) Provide an executive summary. The summary should describe the institution's proposed business activities, capital and business projections. This document should be more detailed than the brief overview in the public section of this application and separate from the business plan required under Wyo. Stat. § 13-12-111(b) which is described beginning on pg. 12 of this application.
- (b) Describe any issues regarding the permissibility of the institution's activities regarding Wyo. Stat. §§ 13-12-101 through -126 and other applicable state and federal laws.
- (c) List and provide a copy of all applications filed in conjunction with this document, or intended to be filed, including applications for holding companies, branch offices, service corporations, licenses from governmental agencies or self-regulatory agencies for incidental activities, whether state, federal or foreign.
- (d) Provide a copy of all public or private offering materials and the proposed form of stock certificate, including any required restrictive legends.
- (e) Ensure all incorporators sign the verification at the end of this application.
- (f) Provide three (3) signed, original copies of the articles of incorporation of the institution, consistent with Wyo. Stat. § 13-12-109(b).
- (g) Provide a copy of the final bylaws, if available, or the latest proposed draft. Indicate how and when the bylaws will be adopted.
- (h) Provide letters of commitment or other evidence of capital available to the special purpose depository institution upon chartering, as required by the Commissioner.
- (j) Attach preliminary evidence of private insurance, including coverage types, coverage limits and any conditions relating to claim payment, as specified by W.S. 13-12-119(e).
- (k) Attach a detailed business plan, as otherwise required by the Rules of the Division and this document.
- (l) Provide preliminary evidence that a surety bond is available to the proposed institution, or a statement that the institution will pledge assets consistent with Wyo. Stat. § 13-12-118.
- (m) If applicable, designate an agent for service of process under Chapter 5, § 7 of the Rules of the Division.

- (n) List all other state, federal and foreign regulators that may have jurisdiction over the proposed special purpose depository institution, whether in whole or in part relating to the proposed activities of the institution and provide the nature or extent of the jurisdiction. Describe all contacts with other regulators regarding the proposed institution as of the date of this application.
- (o) If applicable, please describe any proposed activities or other portions of this application, including the business plan, which contemplate proposed amendments to the statutes governing special purpose depository institutions. Provide a copy of the legislation and its status, including the date on which a legislative committee or task force adopted the proposed legislation. Please underline other portions of this application.
- (p) Provide any additional information requested by the Commissioner.

2. Management

- (a) Identity the following persons: (1) incorporators; (2) proposed directors; (3) executive officers; and (4) any individual, or group of shareholders acting in concert, that will own or control ten (10) percent or more of the institution's stock. For each of these persons, attach a Biographical and Financial Report, a fingerprint card, and indicate all positions and offices currently held or to be held with the institution's holding company and its affiliates, if applicable. Include the signed "Oath of Director" for each proposed director.
- (b) Provide the name, proposed title and physical address of each individual who will serve as a director or an executive officer of the proposed institution during the first year of operation. Also provide a statement with supporting evidence, demonstrating that the proposed executive officers and directors have sufficient experience, ability and standing to afford reasonable promise of a successful operation, including a biographical sketch of qualifications for each individual. Describe the extent to which directors or major stockholders are or will be involved in the day-to-day management of the institution. Also list forms of compensation.
- (c) Provide a list of board committees and members.
- (d) Describe any plans to provide ongoing director education or training.
- (e) Describe each proposed executive officer's duties and selection criteria. Discuss the proposed terms of employment, including compensation and benefits, and attach a copy of all pertinent documents, including all employment contracts or compensation arrangements with executive officers. Provide the aggregate compensation of all officers.
- (f) Describe any potential conflicts of interest relating to incorporators, directors, and executive officers.
- (g) Describe any transaction, contract, professional fees, or any other type of business relationship involving the institution, the holding company, and its affiliates (if applicable), and any incorporator, director, executive officer, a shareholder owning or controlling ten

percent (10%) or more, and other insiders. Include professional services or goods for organizational expenses, bank premises and fixed asset transactions. (Not required to describe transactions between affiliates of the holding company that do not involve the institution.)

- 1) Describe whether the business relationship is made in the ordinary course of business and is made on substantially the same terms as those prevailing at the time for comparable transactions with non-insiders. Also state whether the transaction presents more than normal risks of such transaction or other unfavorable features.
 - 2) Specify those incorporators that approved each transaction and whether the transaction was disclosed to proposed directors and prospective shareholders.
 - 3) Provide all relevant documentation, including contracts, independent appraisals, market valuations, and comparisons.
- (h) Describe all stock benefit plans of the institution and holding company, including stock options, stock warrants, and other similar stock-based compensation plans, for executive officers, organizers, directors, and other insiders. Include in the description:
- 1) The duration limits.
 - 2) The vesting requirements.
 - 3) Transferability restrictions.
 - 4) Exercise price requirements.
 - 5) Rights upon termination.
 - 6) Any “exercise or forfeiture” clause.
 - 7) Number of shares to be issued or covered by the plans.
 - 8) Provide a list of participants, allocation of benefits to each participant, and a copy of each proposed plan.

3. Capital

- (a) For each class of stock, provide the number of authorized shares, the number of shares to be issued, par value, voting rights, convertibility features, liquidation rights, and the projected sales price per share. Indicate net proceeds to be allocated to common stock, paid-in surplus, and other capital segregations.
- (b) Describe any noncash contributions to capital, and provide supporting documents for assigned values, including an independent evaluation or appraisal.

- (c) Discuss the adequacy of the proposed capital structure relative to internal and external risks, planned operational and financial assumptions, including technology, branching, and projected organization and operating expenses. Present a thorough justification to support the proposed capital, including incidental services that will be provided by the institution. Describe any plans for the payment of dividends.
- (d) List all known subscribers to stock. For incorporators, directors, ten (10%) percent shareholders, executive officers, and other insiders, include the number of shares and anticipated investment and the amount of direct and indirect borrowings to finance the investment. Discuss debt servicing.
- (e) List recipients and amounts of any fees, commissions, or other considerations in connection with the sale of stock.
- (f) Indicate whether the institution plans to file for S corporation tax status.
- (g) Information relating to all prospective investors in the proposed institution who are not United States citizens, including the name of the natural person making an investment, date of birth, nationality, and the mailing and physical address of the primary residence of the natural person.

4. Infrastructure

- (a) Provide a physical description of the permanent premises of the institution. Indicate the level and type of property insurance to be carried.
- (b) If the permanent premises are to be purchased, provide the name of seller, purchase price, cost and description of necessary repairs and alterations, and annual depreciation. If the premises are to be constructed, provide the name of the seller, the cost of the land, and the construction costs. Indicate the percentage of the building that will be occupied by the institution. Provide a copy of the appraisal.
- (c) If the permanent premises are to be leased, provide the name of owner, terms of the lease, cost and description of leasehold improvements. Provide a copy of the proposed lease when available.
- (d) If temporary quarters are planned, describe the interim facility, length of use, lease terms, and other associated commitments and costs.
- (e) State whether proposed premises and fixed asset expenditures conform to applicable legal limitations.
- (f) Outline the physical security program of the institution.

- (g) Discuss any significant effect the proposal will have on the quality of the human environment. Include in the discussion changes in air and/or water quality, noise levels, energy consumption, congestion of population, solid waste disposal, or environmental integrity of private land.
- (h) Describe any plan to establish branches or relocate the main office within the first three years. Any acquisition or operating expenses must be reflected in the financial projections.

5. Information Systems

- (a) Outline the proposed or existing information systems architecture. The information should describe how: (1) the information system will work within existing technology; (2) the information system is suitable to the type of business in which the institution will engage; (3) the security hardware, software, and procedures will be sufficient to protect the institution from unauthorized tampering or access; and (4) whether the organizers and directors will allocate sufficient resources to the entire technology plan.
- (b) Provide lists or descriptions of the primary systems and flowcharts of the general processes related to the products and services. The level of detail in these system descriptions should be sufficient to enable verification of cost projections.
- (c) Estimate the start-up budget for all information systems related to the products and services and the expected annual operating and maintenance costs.
- (e) Describe the physical and logical components of security. Describe the security system and discuss the technologies used and key elements for the security controls, internal controls, and audit procedures. Discuss the types of independent testing the institution will conduct to ensure the integrity of the system and its controls.
- (f) Describe the information security program that will be in place to comply with the “Interagency Guidelines Establishing Standards for Safeguarding Customer Information” and other applicable state and federal laws.

6. Other Information

- (a) List activities and functions that will be outsourced to third-party vendors, identifying the parties, and noting any affiliations. Describe all terms and conditions of the vendor management activities and provide a copy of the proposed agreement when available. Describe due diligence processes and the planned oversight and management program of the vendors’ or service providers’ relationships (for general vendor management guidance, see the Appendix of the Federal Financial Institution Examination Council’s guidance—Risk Management of Outsourced Technology Services).

- (b) List all planned expenses related to the organization of the institution and include the name of the recipient, type of professional service or goods, and amount. Describe payment of organization expenses.
- (c) Provide evidence that the institution can obtain sufficient fidelity coverage on its officers and employees to conform with generally accepted banking practices.
- (d) If applicable, list names and addresses of all correspondent depository institutions.
- (e) Provide a copy of management's policies for investments, liquidity, funds management, interest rate risk, and other relevant policies, including procedures to ensure compliance with the provisions of Wyo. Stat. §§ 13-12-105 and 106.
- (f) Provide a proposed Bank Secrecy Act/anti-money laundering/customer identification/beneficial ownership program, including an overview of director/employee training, detailed policies and procedures relating to digital assets, and Office of Foreign Assets Control requirements.

Oath of Director

(required for all proposed directors)

I, insert name of proposed director here, a proposed director of insert name of proposed institution here, solemnly affirm under penalty of perjury pursuant to Wyo. Stat. §§ 6-5-301 and 6-5-303 that:

1. As a director, I understand that I have a legal responsibility and a fiduciary duty to shareholders to administer the institution's affairs faithfully and to oversee its management. In carrying out my duties and responsibilities, I will exercise reasonable care and place the institution's interests before my own.
2. I shall fulfill my duties of loyalty and care to the institution.
3. I shall, commensurate with my duties, diligently and honestly administer the affairs of the institution, and I shall not knowingly violate, or willingly permit, any applicable state, federal or foreign law to be violated.
4. I shall ensure that I learn of changes in laws which affect my duties, responsibilities, or obligations as a director.
5. I shall faithfully attend meetings of the board of directors of the institution and will participate fully on all committees of the board to which I am appointed.

Signature

Printed Name

Date

Business Plan Guidelines

Business Plan

The business plan is an integral part of the management and oversight of a financial institution. It should establish the institution's goals and objectives. It is a written summary of how the business will organize its resources to meet its goals and how the institution will measure progress.

The business plan should be a comprehensive plan, which is the result of in-depth planning by the institution's organizers and management. It should realistically forecast market demand, customer base, competition, and economic conditions. The plan must reflect sound principles and demonstrate a realistic assessment of risk in light of economic and competitive conditions in the market to be served. The business plan should describe, in great detail, the proposed activities of the special purpose depository institution and the legal basis under which each activity is conducted within each applicable jurisdiction. This description should include an outline of the proposed transactions the institution intends to make available to its customers within the first three (3) years of operation.

The business plan should include a comprehensive estimate of operating expenses for the first three (3) years. The description should provide sufficient detail to clearly demonstrate that the institution has a reasonable chance for success, will operate in a safe and sound manner and will have adequate capital to support its risk profile. The business plan should also include a business risk assessment and a complete proposal for compliance with all applicable state, federal and foreign laws. Identification of applicable laws is the responsibility of the incorporators. The business plan should also include any additional information material to the investigation and report of the Commissioner and the decision of the State Banking Board.

Business Plan Outline

- 1. Table of Contents**
- 2. Executive Summary**
- 3. Description of Business**
 - A. Describe the institution's objectives and how these will be monitored and quantified.
 - B. If in a holding company structure or in a corporate relationship with another entity (another business entity controls twenty-five percent (25%) or more of the institution), including a parent company, discuss the operations of the organization, including a brief detail of the organizational structure and interaction. Describe the purpose of the relationship and attach the most recent audited financial statement of any business entity which controls 25% or more of the institution.

- C. Describe the extent, if any, that there could be transactions affecting the business structure of the institution with affiliated entities, natural persons, or foreign investors. Include terms and biographical information.
- D. Discuss the legal form and stock ownership of the institution and any investment in subsidiaries or service corporations.
- E. Describe the proposed location, office quarters, and any branch structure.
- F. Discuss any growth or expansion plans, including additional branches, other offices, mergers, or acquisitions.
- G. Discuss the proposed activities of the institution and the legal basis under which each activity is conducted within each applicable jurisdiction, including an outline of proposed transactions that the institution will make available to customers.
- H. Describe the proposed individual or individuals who will be responsible for coordinating and monitoring day-to-day compliance with the institution's AML/BSA/KYC/beneficial ownership program and provide background information and materials demonstrating that the individuals are qualified.
- I. Provide a risk assessment relating to the business of the institution.
- J. Describe the flow of funds structure, specifying all flows of funds that will occur in the institution's normal operations. Describe: (1) who directs the flow; (2) the name and address of each entity the funds flow through; (3) the title of each account; (4) ownership or control of the accounts and addresses; and (5) who or what entity is liable for the funds at all points.

4. Marketing Plan

A marketing plan should provide detailed factual evidence that the institution has reasonable prospects to achieve its revenue projections, customer volume, and key marketing and income targets. The analysis must be based on the most current data available, and the sources of information should be referenced. This section should contain an in-depth discussion of the major planning assumptions for the market analysis, economic, and competitive components used to develop the plans, objectives, and the basis for the assumptions.

A. Product Strategy

Discuss how the institution will offer products and services over the first three (3) years of the operations of the institution, indicating any variation in the different market areas or distribution channels, and include the time frame for the introduction and the anticipated cost associated with each.

- B. Market Analysis
 - 1) Describe the intended target market and the geographical market area(s), including foreign jurisdictions.
 - 2) Describe the demographics of the target market population (e.g., age, education, and occupation).
- C. Economic Component (*if obtained, discuss any independent economic survey or market feasibility study*)
 - 1) Describe the economic forecast for the first three (3) years of the plan. The plan should cover the most likely scenario and discuss possible economic downturns.
 - 2) Indicate any international, national, regional, or local economic factors that may affect the operations of the institution. Include an analysis of any anticipated changes in the market, the factors influencing those changes, and the effect they will have on the institution.
 - 3) Describe the current economic characteristics of the proposed market(s).
 - 4) Based on the economic characteristics described previously, discuss the economic factors that influence the products and services offered. A more in-depth discussion is warranted when different types of services are used for different market areas in the Description of Business section.
- D. Competitive Analysis
 - 1) Compare and contrast the institution's product strategy with its principal competitors in the target market(s), including projected competitors. Include expected results in terms of relative strength, market share, and pricing.
 - 2) Discuss the overall marketing/advertising strategy, including approaches to reach the target market through the marketing of brand, products, and services. Outline the specific medium that will be used, including timing and level of advertising efforts.

5. Management Plan—Directors and Officers

- A. Describe the management structure and provide a management chart, describing the name and title of directors, officers, managers, and key employees. Describe the duties and responsibilities of the executive officers. Describe all front office business units and back office reporting for compliance, internal audit and IT infrastructure. Describe any intended management committees.

- B. Describe the organizational chart showing the percentage of ownership of direct owners, indirect owners, parents, affiliates, subsidiaries and all ten percent (10%) or greater owners.
- C. Discuss the institution's plans to address management succession, including any management training program or other available resources.
- D. Provide copies of all written policies and procedures relating to the following: AML/BSA/KYC/beneficial ownership, market manipulation, conflict of interest transactions, fiduciary duties, consumer protection, information technology security, business continuity and disaster recovery, and complaint resolution.
- E. Provide copies of sample documents the institution plans to issue or use with customers, including customer disclosure and agreements, operating agreements, third-party agreements, and receipts, customer confirmations, and any similar instruments.

6. Records, Systems, and Controls

- A. Describe the institution's proposed accounting and internal control systems.
- B. Describe management's proposed internal audit function. The description should set forth the independence of the department and the scope and frequency of audits. Discuss the experience and education of the audit staff. If external auditors will be used for internal audits, provide similar information for the external auditors.
- C. Describe the compliance management programs, addressing independence, scope, frequency, and staff qualifications. Discuss how the institution will respond to consumer complaints.
- D. Outline plans for an annual audit by independent public accountants, preferably by a firm with national or international experience. Discuss the parameters of an audit and whether the firm has the technical knowledge and tools to issue an opinion relating to digital assets.
- E. Discuss outsourced functions and what the institution will do in-house.

7. Financial Management Plan

- A. Capital and Earnings
 - 1) Discuss the institution's capital goals and the means to achieve them.
 - 2) Discuss the institution's earnings goals in terms of return on assets, net interest margin, or other profitability measurements, and summarize the strategies to achieve those goals.
 - 3) Discuss the institution's plan for raising capital and for financing growth.

- 4) Discuss the adequacy of the proposed capital structure relative to internal and external risks, planned operational and financial assumptions, including technology and projected organization and operating expenses. Present a thorough justification to support the proposed capital, including all proposed activities.
- 5) Describe the debt service requirements for any debt that will be issued at the holding company level to capitalize the institution, if applicable.
- 6) Discuss the use of options, warrants, and other benefits associated with the institution's capital.
- 7) Summarize the institution's dividend policy.

B. Liquidity and Funds Management

- 1) Discuss how the institution will identify and measure liquidity risk.
- 2) Discuss the institution's plan to monitor and control its liquidity risk, including funding sources. Include holding or affiliate company support, if any.
- 3) Describe any plans to borrow funds from any financial institutions or other sources, including the amount, composition, interest rate, maturity, purpose, and collateral.
- 4) Discuss the type of investment securities the institution plans to purchase.
- 5) Liquidity reporting tools, including the means by which the institution will periodically report to the Division and monitor compliance with Wyo. Stat. § 13-12-105.

C. Sensitivity to Market Risk

- 1) Discuss the institution's objectives, strategies, and risk tolerance for interest rate risk.
- 2) Discuss how the institution will identify and measure interest rate risk.
- 3) Discuss the institution's asset and liability portfolio in terms of sensitivity to interest rate changes and the impact of earnings and capital and net portfolio value. Discuss the risk limits to control interest rate risk.
- 4) Describe any plans to use hedging activities.

8. Monitoring and Revising the Business Plan

- A. Describe how the board of directors will monitor adherence to the plan, including any metrics.
- B. Describe how the board of directors will adjust and amend the plan to accommodate material economic or regulatory changes.

9. Financial Projections

- A. Provide information for the opening day of the institution and quarterly projections for the first three (3) years of operations, in U.S. dollars and as a percentage of assets:
 - 1) Describe in detail the assumptions used, including the assumed interest rate scenario for each interest-earning asset and interest-costing liability over the term of the business plan. Also present a thorough justification to support proposed capital.
 - 2) Provide the basis for the assumptions used for noninterest income and noninterest expense. Indicate the amount of lease expense, capital improvements, and furniture, fixtures, and equipment, including systems and equipment upgrades.
 - 3) Describe the assumptions for the start-up costs, volumes, expected returns, and time frame to introduce each new product and service.
- B. Discuss how the institution used marketing studies or surveys to support the institution's projected growth.
- C. Discuss the level of marketing expenses necessary to achieve the projected market share for products and services. Assumptions should be consistent with those experienced by other institutions in the target market. Explain any significant variances between the assumptions in the target market.
- D. Provide a sensitivity analysis of the financial projections. A sensitivity analysis provides a realistic stress test of the major underlying assumptions used in the business plan and the resultant financial projections. For example, adjust the financials to reflect the effects of adverse changes in the interest rate environment, changes in the asset/liability mix, higher than expected operating expenses, marketing costs, or growth rates.

Verification

I, an incorporator of *insert name of proposed institution here* named below, solemnly affirm under penalty of perjury pursuant to Wyo. Stat. §§ 6-5-301 and 6-5-303 that this application, and accompanying materials, has been carefully examined by me and is true and complete to the best of my knowledge and belief.

I consent to the filing of an application for a special purpose depository institution bank charter under the laws of Wyoming. If a charter application is approved by the State Banking Board and a certificate of authority granted by the Commissioner, I understand that the institution must commence operations within six (6) months of a certificate of authority being granted, absent good cause. To the best of my knowledge and belief, the proposed business of the institution complies with all applicable state, federal and foreign laws.

I further affirm my understanding that I have a continuing duty to promptly supplement or amend this application and all accompanying materials when information changes materially or if an error or omission is discovered.

I acknowledge that failure to provide true and complete information or failure to supplement or amend may result in delay or denial of this application, removal and prohibition from banking, revocation of a charter, criminal prosecution or other legal consequences.

Signature

Signature

Printed Name

Printed Name

Signature

Signature

Printed Name

Printed Name

Signature

Printed Name